

**STATE OF MISSISSIPPI
COUNTY OF**

Notice: This Subordination Agreement results in your security interest in the Property becoming subject to the duly executed and recorded Declaration of Covenants Running With The Land – Hurricane Katrina.

SUBORDINATION AGREEMENT

The undersigned (“Lienholder”) is the record holder of a lien (the “Lien”) dated _____, recorded _____ at _____ of the records of _____ County, Mississippi, which is applicable to the Property described in Exhibit A (the “Property”).

The owner (“Owner”) of the Property has been awarded a grant from the United States of America under the HUD Community Development Block Grant (“CDBG”) program, which Program is being administered by the Mississippi Development Authority (“MDA”). The Owner is not eligible to receive the grant unless Lienholder subordinates the Lien to the duly executed and recorded Declaration of Covenants Running With The Land – Hurricane Katrina (“Covenant”).

THEREFORE, in consideration of the sum of TEN DOLLARS (\$10.00), cash in hand paid, and other valuable considerations, the receipt and sufficiency of which is hereby acknowledged, Lienholder hereby subordinates Lienholder’s Lien on the Property to the Covenant so that the Covenant shall be a perpetual covenant running with the Property superior to the Lien.

This Subordination Agreement shall be binding upon Lienholder and Lienholder’s successors and assigns.

Lienholder agrees and acknowledges that MDA is under no obligation or duty to see to the application of such grant proceeds by the Owner.

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This Subordination Agreement is limited to the Covenant and, except as expressly provided herein, the Lien shall remain in full force and effect.

WITNESS the signature of the undersigned, this the _____ day of _____, 2006.

LIEN HOLDER

STATE OF _____
COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the said county and state, on this ____ day of _____, 2006, within my jurisdiction, the within named _____, who acknowledged that (he)(she) is _____ of _____, a _____ corporation, and that for and on behalf of the said corporation, and as its act and deed (he)(she) executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

NOTARY PUBLIC

My commission expires:

DRAFT

STATE OF _____
COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the said county and state, on this ____ day of _____, 2006, within my jurisdiction, the within named _____, who acknowledged that (he)(she)(they) executed the above and forgoing instrument.

NOTARY PUBLIC

My commission expires:

Prepared by:
John H. Rice, Esq.
Balch & Bingham, LLP
1310 Twenty Fifth Avenue
Gulfport, MS 39501
228/864-9900

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Exhibit “A”

Residence Address:

Tax Parcel Number:

County of Residence:

Legal Description:

Indexing Instructions:

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